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Croatia

Grain and Feed

Grain Harvest Update

2003

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Report Highlights:

This year's drought-affected crops result in no corn or wheat exportable supplies. The wheat harvest of 600,000 MT combined with governmental and miller flour stocks should just cover domestic consumption needs this year. The Government budgeted US\$ 61.0 million to compensate farmers for drought damaged crops. Corn production is expected to be around 16% smaller than last year. While barley's yields are halved over last year.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HR]

Wheat:

Winter wheat was sown on 195,000 ha, about 10% less than in 2001. This falling trend can be seen in the last four years and it is supported by a new domestic crop support system that provides higher supports of around US \$344/ha for oilseeds and smaller grain crops while wheat only gets US \$252. Plus the money is distributed after harvest rather than prior to harvest as in the old system.

This year's wheat harvest of 600,000 MT and government stocks of 80,000 MT combined with millers' wheat flour stocks should cover domestic consumption of around 700,000 MT to 750,000 MT. The Ministry of Agriculture will provide drought damage compensation for all crops of about Kuna 400,000,000 (US\$ 61,000,000) while also forgiving all other farmer's obligations and debts.

To insure high wheat price for farmers the Ministry of Agriculture had a tender for purchasing farmers wheat. In the tender Ministry offered to pay Kuna 0.12 /kg (\$ 0.02) of wheat for the cost of handling and storing to the companies that offer the best price and paying condition. After the tender the wheat price was set on Kn1/kg (\$ 0.2), but farmers where not happy with this price and they where asking for Kn 1.30/kg (\$0.2), which they where not able to get. According to some calculations together with subsidy and damage compensation farmers will get total Kuna 1.86/kg (\$ 0.3) of wheat. Ministry of Agriculture is planning to organize a meeting between wheat producers and wheat purchasers so they can agree on conditions of production and wheat prices for 2004.

Corn

The corn crop in 2003 is expected to be 16 percent smaller than in 2002 because of the drought. Thus, Croatia is expecting corn yield of 1,813,500MT from 403,000 ha. The subsidy for corn in this year was Kuna 1,250 (\$ 191).

In 2003/2004 Croatia is probably not going to export corn. But in the marketing year 2002/2003 approximately 200,000MT of corn was exported in the to the following countries: Bosnia and Herzegovina, Albania, France, Italy and Greece. From October to December of 2002 approximately 130,000MT of corn was exported, of which 70,000MT went to Greece and from January to March of 2003 corn was exported mainly to Italy and Greece and total exported amount was 96,632MT.

Barley

In the fall, barley was sown on 41,423 ha according to the Statistical institute and with spring sowing the acreage should be 50,000ha. Production is expected to be 50 percent less than in 2002 because of spring drought and bad sowing conditions in the fall (extensive rain) thus about 85,000MT.

Tariffs for wheat, corn, and barley can be found at www.carina.hr.

Exchange rate: \$1 = Kuna 6.54